



April 8, 2004

### **INFORMAL BID SOLICITATION**

To All Prospective Vendors:

The Georgia Department of Community Health (DCH) is seeking the services of a vendor to perform all procedures and actions required to meet the American Institute of Certified Public Accountants (AICPA) standards (including, but not limited to the SAS 70) for completing and submitting an Independent Service Auditor's Report on Controls Placed in Operation and Tests of Operating Effectiveness for the period of April 1, 2004 through September 30, 2004. The audit will be performed on the Medicaid Management Information System and the State Children's Health Insurance Program (SCHIP). A significant portion of the procedures, including observation and other testing of operations in process, should occur on the contractor's premises before July 1, 2004.

The successful vendor will be required to do the following:

#### **A. Standard SAS 70 Services**

The vendor will be responsible for preparing an audit report, which will be used by the independent auditors of DCH's financial statements, for issuing opinions on DCH's financial statements for the fiscal years ended June 30, 2004, and June 30, 2005. DCH will provide required access, at the vendor's request and based on the vendor's schedule, to all records and actual operations of the Department's Medicaid Management Information System (MMIS). **A draft SAS 70 report will be due on October 15, 2004 and the final report will be due on October 29, 2004.**

#### **B. Controls Over Specific Reprocessing Transactions**

The vendor will be responsible for planning and conducting its testing to include the observation and testing of controls related to claim reprocessing ("mass adjustments") of a specific population of previously submitted claims. DCH is reprocessing fiscal year 2003 fourth quarter claims through the MMIS between February 2004 and June 2004. The vendor's report must also be useful for independent auditors responsible for issuing opinions on DCH's financial statements for the fiscal year ended June 30, 2003. This reprocessing will generate Medicaid and SCHIP benefit information integral to our fiscal year 2003 financial statements. **A draft report for the review of the claim reprocessing will be due on June 23, 2004 and the final report will be due on June 30, 2004.**

#### **C. Accuracy of MMIS**

The vendor will also be responsible for testing a sample of MMIS transactions for the monetary accuracy of processing, payment, and reporting. The goal of this testing is to obtain evidence, without regard to the existence and application of the processing controls addressed in a standard

SAS 70 report, indicating whether significant errors are occurring. The vendor may identify claim characteristics potentially associated with material risk before drawing samples to test for monetary accuracy. **A draft report for the review of the MMIS transactions for monetary accuracy will be due on June 23, 2004 and the final report will be due on June 30, 2004.**

**All proposals submitted in response to this solicitation must include the following information:**

1. The full name and home office address of your organization.
2. Name, title, mailing address, telephone number, facsimile number and e-mail address of the contact person who will be assigned to this project.
3. State how long the organization has been in business and in which states it has conducted its business.
4. State how long has the organization been providing audit services for Medicaid programs.
5. State in detail the company's capability to provide audit services. Describe in detail the methodology to be used, including the accounting standards you adhere to.
6. List at least three previous federal or state agency clients for whom your organization has conducted audit reviews or performed audit services.
7. State the total cost for this project.

All interested parties should submit their proposal via certified mail or e-mail with the total associated cost for the services requested above by **Wednesday, April 28, 2004, by 1:00 PM** to:

Joanne Mitchell, Contracts Manager  
Georgia Department of Community Health  
Office of Contracts Administration  
2 Peachtree Street, NW, 35<sup>th</sup> Floor  
Atlanta, Georgia 30303  
(404) 651-6183 (phone)  
(404) 656-4988 (fax)  
E-mail: [jmitchell@dch.state.ga.us](mailto:jmitchell@dch.state.ga.us)

Certified mailed or e-mails proposals must be received by the date and time stated above for consideration. If you have any questions regarding this informal bid solicitation, please e-mail your questions to Joanne Mitchell at [jmitchell@dch.state.ga.us](mailto:jmitchell@dch.state.ga.us). All questions must be received by **Tuesday, April 13, 2004, 3:00pm**. Answers in response to questions received will be posted to the DCH website at [www.dch.state.ga.us](http://www.dch.state.ga.us), under Request for Proposal, on **Monday, April 19, 2004, by 5:00 pm**.

**We will not accept any questions regarding this solicitation by telephone or after the date stated above.**

***The award of this project will be contingent upon identification of funds.***